

CHEHALEM

SPRING 2007



FUTURE TENSE *A Space-Time Continuum*

By Harry Peterson-Nedry

(FURTHER THOUGHTS TO *TWENTY YEARS ON*, FALL 2006...)

OK, LET THE PAST ALONE. No matter how smart it was to begin the Oregon wine industry the way we did it, where's it going?

DYNAMIC TENSION

The future is not a simple extrapolation of the present. Issues at play serve to keep things up in the air, exciting in the flux, unnerving in the uncertainty. Our industry is an order of magnitude larger and more complex than when I joined and will likely be another order bigger and more important when I fade away. Will it be better or just bigger? How we react to these important issues will determine that.

Our industry's future success depends on our approach to the following key issues: the economy and marketplace, the environment, land use and the nature of local farming, the character of our industry (large versus small, competitive versus collaborative), the wines we make, our passions and principles, and our innovation.

FUTURE PERFECT

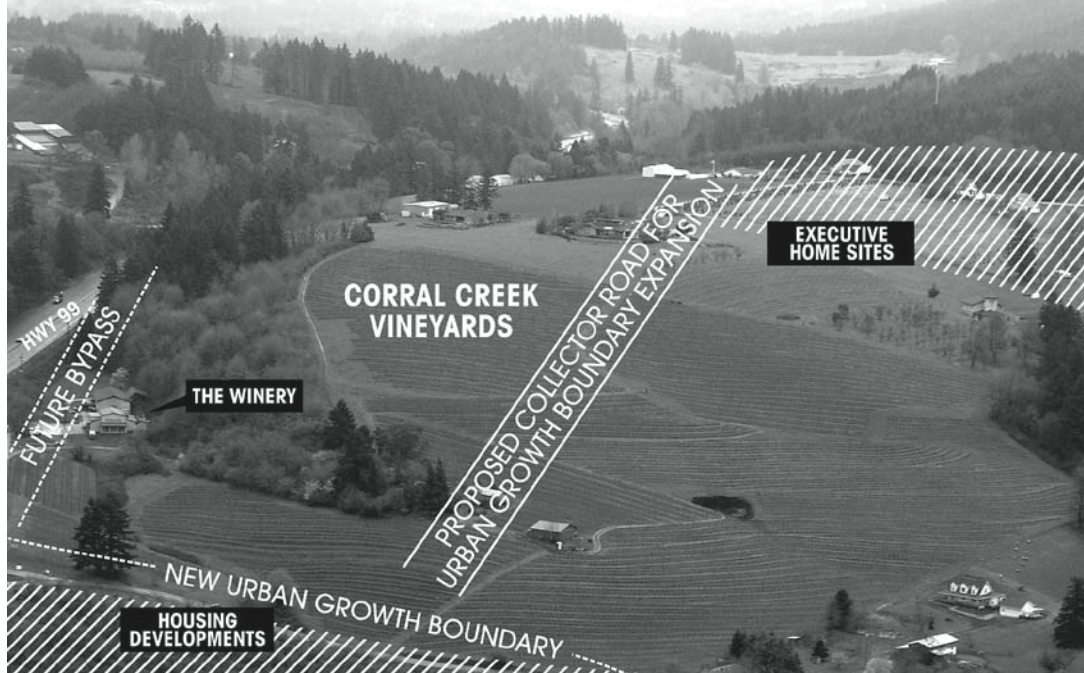
I have a dream where principles Oregonians hold dear, whether in the wine industry or as neighbors, aren't compromised to grease business gears. Where bucolic scenes of vineyards, farms, and forests are valued enough by communities that houses don't insinuate themselves where tractors and trees ought to be. Where the green of our lands becomes a metaphor for how we operate, what we value, where tourists want to travel, how we measure our footprint, and what we want to leave our heirs. Where our wine is about the meal and our health; about what's cool as well as hot, and white as well as red; about tradition and terroir not the writer du jour; and about staying Oregon and not becoming Napa. Where our children are as close and collaborative as we have been. Where who we are is more important than who we know or how much we earn.

OPPORTUNITIES, NOT PROBLEMS

How we adapt to challenging situations will define the industry in the medium term. Whether we talk of vineyard pests or diseases, such as phylloxera, bud mites, or botrytis,

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(Above) Friends Pushing the Envelope: Oregon is known as much for collaboration and collegiality as it is for Pinot Noir. They are especially essential for the future, as we blaze pioneering trails as shown in this industry Riesling group tasting from May 2004. These principles must be maintained.



Being Squeezed Out: Corral Creek Vineyards showing boundaries, with the wolf at the door, from Highway 99W at the point where a new bypass will take a slice of land (and our parking lot) to the proposed urban growth boundary for residential development at Corral Creek Road at the bottom. Help!

or of selecting closures that don't taint our wines, how we look for solutions will either continue an inventive and technically varied fabric or begin a staid decision-making that seeks wisdom from accountancy.

There is a pattern of collaboration within this industry that approaches marketing as if we're hunting parties roaming out spears in hand or technical problems as if we're a huddle of teenagers under the hood of a Chevy. There is a magic to group activity that can't be lost to business-like mechanical rigor. Winery founders and principals can't delegate to hired guns, research institutes can't replace us clustering around an ailing grapevine, and marketing studies can never make as much sense as intuition driven by passion.

ECONOMY & MARKETPLACE

No matter how much we argue that we make wines we want to drink without regard to the marketplace, the market exerts a strong pull—one that could shift us to generic New World red styles or to abandon white wines as new wineries seek what's currently in vogue. Remember, white wines ruled at the beginning of the last century and white wines still pair best with most of the courses in our meals. An economy in recession can make us conservative, just to stay in business, while a robust economy can make us cocky and forget the concept of cycles seeking growth to fuel the American ideal of "more is better." It's never a question of "if" in economic cycles, but rather "when."

Today's general trends are encouraging, as baby boomers in the last bloom of life are well heeled and drinking wine, and as the new twenty-something millennials are showing signs

of embracing wine with excitement and without pretension. Trophy hunting will stay viable for the boomers, while new, exciting, innovative wines and regions appeal to the millennials.

How wine is delivered to consumers promises tectonic shifts and upset. Shakeout of the Supreme Court Granholm decision is far from over, with numbing complexity and bureaucratic denials before widespread direct-shipping freedom is a reality. National distributors and mega wine companies continue to coalesce into monoliths big enough to seek member status in the EU, with all the efficiencies and constraints that size entails. A growing regional focus on tourism and eating locally, catalyzed by volatile energy costs and environmental concerns, might occur to shift everyday wine consumption closer to home. That said, special wines will always find special ways to get to special people.

ENVIRONMENT

Planet health is finally gaining momentum as all but the ossified see our climate changing, ice caps shrinking, public areas contaminated and overrun, oceans used as dumps, weather extremes reaching FEMA proportions, species of flora and fauna decimated, and energy sourcing proving politically radioactive. The wine industry's long-standing environmental priority is timely.

Organic farming, the green nature of plants' CO₂ absorption, leadership in reuse and recycling, and hypersensitivity to climate-change impacts on what we grow in our cool climates will make Oregon wine the poster child for environmental stewardship. How we approach a branded Oregon Certified Sustainable emphasis, land use, conservation easements, processing and packaging materials selection, water conservation,

shipping, wine country tourism, and other key green heritage issues will help set the standard for other wine regions and agricultural sectors.

LAND USE & THE URBAN-RURAL DIALOGUE

As modern society has moved away from the agrarian economy, through an era of hard industry, long since into the information age, to now rest in an outsourced lawn chair-and-Lexus economy, a disconnect has progressively separated consumers from producers. Few consumers now have more than an intellectual appreciation for how things are made or grown. This is apparent in how easily voters have recently given away farmland and the rights to farm to developers, as rural areas are ingested by cities. Farmland has become little more than land reserves for residential expansion.

There needs to be a richer dialogue between these two dependent groups, lest farming with its other benefits to general welfare be outsourced to distant, warm, and commodity-like growing regions. Our local supporters and customers need to see more than field burning, slow combines on country roads, and crops as landscaping. Farmers have a role to play in educating, providing healthy foods in normal channels and at farmers' markets, and publicizing their contribution to a diversified and healthy economy. (The wine industry's annual contribution of \$1.4 billion to the Oregon economy and \$162 billion to the national economy, including significant exports, are worth honoring.) Our urban and rural needs coincide on issues such as immigration reform, which has to be resolved in the short term for both city and country well-being, not to mention fairness to a strongly contributing invisible sector of our society.

Besides a healthy economy and environment, we need lifestyles featuring healthy eating, drinking wine in moderation, and exercise. Many studies have shown this, and the future will add even more convincing data.

WHAT WE PLANT, WHERE

There is an irony that at a time when regionality and place are showing their importance in

more specific AVAs, tourism, and worldwide recognition of unique areas like the Willamette Valley, these places are physically changing. Thank climate change, or ignore it as your political leanings might dictate. What is not in question is that currently we are experiencing riper, more consistent vintages in the Willamette Valley. Not bad now.

But we can't hope to stop the change where we want it, so we'll have to begin to adapt. Adaptation is happening in several ways, from moving varieties like Pinot Noir to cooler sites higher in elevation, or cooler in aspect (e.g. north-facing, not south), or into new regions once unreasonably cool, like rain shadows or adjoining states. New, warmer weather varieties are being considered for our established viticultural areas, bringing the possibility of Syrah, Tempranillo, or Viognier into the Willamette Valley, while varieties with greater temperature tolerance, such as Riesling and Chardonnay, also gain more traction.

At Chehalem, our highest elevation site on Ribbon Ridge is seeing planting of Pinot Noir, Grüner Veltliner, and Riesling to honor an extraordinary cooler site and the need for keeping white wines in our mix. We bracket picking times to evaluate early picking strategies, while trying to develop coping mechanisms at the winery for very ripe fruit. Climate change at least requires adaptation. At best, we must work hard to change our lives. Chehalem is beginning a culture of environmental life-cycle analysis and a drive to innovate positive changes to the environment—changes we'll talk about next time.

INTEGRITY & THE REST OF THE PLANET

The future I see will value old-style Oregon values and integrity even more than before. Truth in labeling, honest marketing, respect for other regions' wine place names, ingredient labeling, consumer advocacy, and the like, will be an Oregon flag unfurled. As worldwide political entities contemplate war strategies, I see the wine world coming together, as we collaborate on principles, compete on quality and value, and succeed with passion. 🍷



International Cooperation & Truth in Labeling: Competition on quality and value, but collaboration on fair rules in the marketplace will determine the future. Harry (seated, second from right) was the Oregon representative at a March 2007 conference in Washington D.C., welcoming more regions signing onto the Joint Declaration to Protect Wine Place & Origin, of which Oregon was a founding signator.



NEW RELEASES

TWO EXCELLENT VINTAGES, from the cool 2005 and very warm 2006 growing seasons, show well but with different characteristics in this spring's new releases:

2006 Willamette Valley Pinot Gris is a fresh spring mixture of white blossoms and effusive, sweet fruit aromatically, with a richness on the palate from full ripeness that is at once emollient and bracing. Look for hints of waxy jasmine or orange blossom, accents of lime and other citrus peel, and weight that could float boats. Borderline threshold in residual sugar, it's the driest and best balanced we've done in memory.

2006 INOX™, our stainless-steel fermented Chardonnay, sings with the brilliance of tropical fruit-like pineapple or guava, structured with a spicy ginger edge and tartness of green apple that belies its ripeness, and finishes juicy and long. It is perfectly balanced and bone dry, and with extra volume should also last beyond summer. We describe it as "dangerously easy to drink!"

2004 Ian's Reserve Chardonnay is hard to imagine better in any way. From a warm, but not hot vintage, with half-crop yields giving concentration through the roof, the weight and extract for this platinum wine make it sensual and long on the palate. Flavors are white but rich and oily, with chartreuse and tropical yellow threads; wood and alcohol are barely present in impact; and aromas are seductively fresh and floral. Great balance and velour finish. One of the couple best we've made. Terribly low case quantities.

2005 3 Vineyard Pinot Noir is smoky, dark, and filled with firm, tightly packed fruit in a leaner style than the recent hot vintages. It is moderately garnet and polished in appearance and shows savory and huckleberry aromas, a firmness of fine tannin, good acid structure, and a suppleness that finishes moderately long with dustiness and earth. Expect it to continue to flesh out with time in the bottle, taking awhile as with other cooler vintages like 1993, 1995, 1997, and 2001.

2005 Corral Creek Pinot Noir is the normal, refined, pretty Pinot Noir that this vineyard typifies, but with a slightly darker, more savory, weightier aspect. There are sweet, aromatic Bing cherry, boysenberry, and raspberry fruits in play, especially on the nose. The wood is delicate and sweet, the palate rich and firm, and the balance is very good, with juiciness and a dancing acidity that reminds you of SweetTARTS and cherry Life Savers (yes, many of my descriptors are dessert and candy charged!). 🍷

— HARRY

Chocolate & Terroir

AS A LOVER OF FINE WINE, chances are you are also a lover of fine chocolate. In fact, the two indulgences may be more closely related than you might think. Chocolate, like wine, has the ability to reflect "terroir" in the hands of a craftsman dedicated to preserving its regional and varietal characteristics.

There are three main varieties of cacao beans used to make chocolate: Criollo, Forastero, and Trinitario. Criollo, like Pinot Noir, is difficult to grow, delivers low yields, and is sensitive to environmental threats. Criollo's flavor is delicate but complex, and it is known for its long finish, revealing a host of secondary flavors. Forastero is the workhorse in the world of chocolate production. An extremely hardy variety, its yields are high, but it lacks the finesse of its more elegant cousin. The third variety, Trinitario, is a hybrid of Criollo and Forastero, possessing the harder characteristics of Forastero while maintaining some of the more complex flavors of Criollo.

At the winery, we recently tasted over a dozen single-origin chocolates from French chocolatier François Pralus. Each bar represented a single variety and a single locale in the chocolate-growing world. Regions included Central and South America, Madagascar, São Tomé and

Príncipe, and Indonesia. All were made with approximately the same amount of cocoa (75%) and were carefully processed to bring out essential flavor characteristics.

In sampling each chocolate, we were amazed to taste how dramatically different one bar was from the next. Some were subtle, slowly revealing their flavors as the chocolate melted on our tongues, while others seemed to explode on the palate. One bar displayed pronounced herbal qualities, another tasted of lime peel, and yet another like roasted nuts and exotic fruits. Some of the chocolates had long and lingering finishes while others trailed off rather abruptly, leaving us wanting more. Listening to our comments and discussions, you might easily have come to the mistaken conclusion that it was wine we were talking about and not chocolate!

So the next time you decide to have a little chocolate with your Pinot Noir, you may want to consider the origin on both counts... a bit of São Tomé and Príncipe Forastero with your Ridgecrest? A smidgen of Indonesian Criollo with your Corral Creek? Check out specialty foods stores in your area for François Pralus and other single-origin chocolates. 🍷

— By Jason Weaver



WHAT THEY'RE SAYING

2004 Reserve Pinot Noir

92 *Wine Spectator*, November 15, 2006, Harvey Steiman Lithe and spicy, with distinctive cinnamon and floral overtones to the vibrant raspberry and red cherry flavors that echo on the persistent finish. A graceful wine with miles to go.

2004 Stoller Vineyards Pinot Noir

92 *Wine Review Online*, September 26, 2006, "Going Green in Oregon & Washington," Patrick Comiskey ...This wine regularly shows a lush red fruit profile, and this particular rendition has a soft red cherry aroma, but its flavors are all strawberry, lush and bursting with juice, with fine tannins and a stirring minerality.

2004 Corral Creek Vineyards Pinot Noir

U.S. News & World Report, December 1, 2006, "Great Wine Buys: An Expert's Picks," Alex Markels *U.S. News* asked Shawn Lightfoot, wine buyer for Denver's Applejack Wine & Spirits, the nation's largest wine superstore, to grab a shopping cart and pick out a dozen best buys from 15,000 wines on his shelves. He could pick any variety or vintage, but was limited to a maximum of \$250 for the full case... **2004 Chehalem Corral Creek Pinot Noir:** ...This is among the best pinots in a state known for them.

2005 Corral Creek Vineyards Pinot Noir

91 *Wine Review Online*, January 2007, "Oregon's Chehalem Mountains: A New Refuge from Pinot Mediocrity," Michael Franz Very pretty and poised, this wine nevertheless proves deep and flavorful once permitted a few minutes to unwind in the glass...Open, vibrant red cherry fruit with accents of ripe strawberries and very, very subtle wood...this is a beauty.

2003 Ian's Reserve Chardonnay

90 *Wine Spectator*, November 15, 2006, Harvey Steiman Polished and spicy. The creamy toastiness of barrel fermentation and aging swaddle the pear and hazelnut flavors as they linger on the effortlessly plush finish.

2005 INOX™ Chardonnay

90 *Wine & Spirits*, December 2006 This unoaked chardonnay has a bright and leesy scent, yet it's fresh and brisk, with ripe apple and roasted pear flavors. It's considerably lighter than most domestic chardonnays, and all the more charming for it.

Willamette Valley Pinot Gris

Food & Wine, October 2006, "Great American Wine & Food Matches," Laurie Daniel Pinot Gris has risen to the status of Oregon's most important white grape...Pinot Gris from the Willamette Valley has the freshness of Italian Pinot Grigio...and the richness of Alsace Pinot Gris, with pear and white peach flavors and floral nuances. **Pairing:** Gingery Panko-Crusted Salmon with Asian Vegetables. (Chehalem listed as one of six **Top Producers**.)

2005 Reserve Pinot Gris

94 *vinfolio.com*, November 24, 2006, Doug Wilder A stunning New World example of Alsatian-style...as good as some of the world-standard Domaine Zind Humbrecht for about one-third the price...Excellent acidity with stone fruit freshness on the palate brings everything into a brilliantly focused balance. **Top 25 List of 2006.**

90 *Wine Spectator*, November 15, 2006, Harvey Steiman Rich and fragrant, with blanched almond character adding an interesting note to the delicate pear and honeydew flavors.

2005 Willamette Valley Pinot Gris

93 *Wine & Spirits*, December 2006 This pinot gris shows the heights gris can reach in Oregon. Rich without being the least bit fat, its honeyed pear and marzipan flavors have an Alsatian heft, but a fine, mineral cushion of acid holds all that rich fruit aloft.

2005 Reserve Dry Riesling

90 *Wine Review Online*, September 2006, Michael Franz ...Vivid fruit shows lovely notes of peaches and tangerines, and though the fruit is so fresh that one could doubt the 'Dry' designation on the label, that doubt would be dispelled by the clean finish that results from a bracing blast of acidity. Delicious!

2005 Corral Creek Riesling

90 *Wine Spectator*, December 15, 2006, Harvey Steiman Off-dry but crisp in texture, with lime and grapefruit flavors at the core and a hint of peach as the finish lingers impressively.



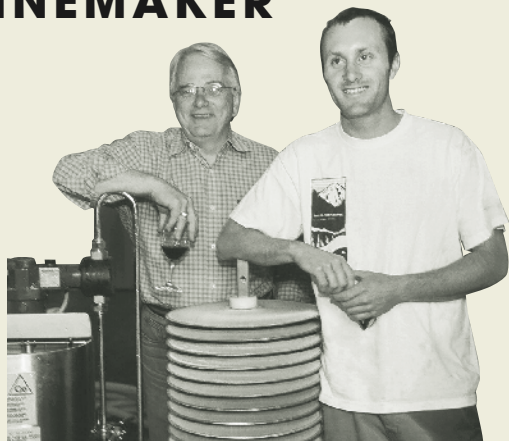
MIKE EYRES, WINEMAKER

IT IS WITH PLEASURE THAT I ANNOUNCE THAT Mike Eyres has moved from the assistant winemaker role to assuming full operational winemaker duties at Chehalem. As such, Mike is the field general, coordinating logistics, people, winery purchases, and winemaking tasks. He shares winemaker responsibilities with me, him the day-to-day orchestration of equipment, data, and fermentation lots and me senior responsibilities, such as process, wine style, vineyard maturity, and long vacations.

Truth be told, Mike's the one who has to take longer vacations, back home to New Zealand, having come to Chehalem in 2001 to work as a harvest intern. He impressed everyone with his technical rigor, industriousness, and the fastest run-and-leap ever on our crushpad. Before he got away that year, we invited him to come back full-time in May 2002. During the harvest of 2003, Mike met Hilary Chamberlain, who worked with him side-by-side on the harvest crew. The rest is history as they were married in 2006 and are now living in Portland.

A graduate of Lincoln University, New Zealand, with a bachelor's in viticulture and oenology, Mike has worked in vineyards and wineries in New Zealand as well as Oregon. He is technically very strong, very well organized, and thorough,

PHOTO: MARVIN COLLINS



Chehalem Winemakers: Harry Peterson-Nedry and Mike Eyres, old and new, slow and fast!

particularly in data gathering, and has an exceptionally acute tasting palate. An especially helpful skill of Mike's is his knowing when to get my advice and input on critical decisions, and when to keep me in the dark (probably the really critical decisions).

When he is not at the winery, Mike is likely careening along an Oregon waterway in his kayak, keeping up with the Portland restaurant scene, and drinking beer. 🍷

—HARRY



WHAT'S HAPPENING?

FREE SHIPPING! Buy a case, and we'll cover FedEx ground shipping anywhere in the U.S. until May 31st. Stock up before summer!

CHEHALEM MOUNTAINS AVA

This past December, the Chehalem Mountains area was finally granted official AVA status. It was the last of the Willamette Valley's six AVAs to be recognized but was worth the wait.

A NEW ADDITION

2007 brought a new face to Chehalem. We said farewell to Anna Campbell, who has made her way to grad school, and hello to Brian Irvine, our new cellarmaster.

BOXES, BOXES, BOXES

The next time your order a case of Chehalem Pinot Noir, check out the nifty, 8-sided cardboard wonder in which it arrives. These boxes are 100% corrugated, entirely recyclable, and meet strict FedEx drop-test standards. Our other wine boxes, complete with molded paper inserts, are recyclable, too. We've done our part; please recycle and help keep the circle moving!



BEST BARREL DAY

May 19, 2007. Taste and purchase futures from the single best barrels of 2006 Pinot Noir from each of our estate vineyards. For an invitation, please call to be added to our mailing list.



MEMORIAL DAY OPEN HOUSE

May 26–28, 2007. INOX™ rocks! We'll be featuring our '06 INOX™ Chardonnay this weekend along with '06 Pinot Gris; '04 Ian's Reserve Chardonnay; and '05 3 Vineyard and Corral Creek Pinot Noirs. Saturday–Monday 10 a.m.–5 p.m. \$10 tasting fee; FREE for Chehalem Tasting Panel members.

ANNUAL TASTING PANEL DAY

July 21, 2006. This is our day to celebrate with all the members of our Tasting Panel. Mark your calendars and watch the mail for your invitation. For details, e-mail Caroline at caroliner@chehalemwines.com.

CHEHALEM RESERVE RELEASE AND ART SHOW August 25–26, 2006. Our most popular summer event! Abstract painter (and our label artist) Ted Katz returns as well as some old favorites and new artists. For an invitation, call the winery. 🍷

CHEHALEM PRICELIST



Free Ground Shipping!

for all Full or Mixed Case orders placed by May 31, 2007

For a complete description of the following wines, visit our website www.chehalemwines.com.

SPRING 2007 NEW RELEASES

	FULL OR MIXED CASE DISCOUNT (10%)	RETAIL
2006 Willamette Valley Pinot Gris	\$205.20 / \$17.10	\$228 / \$19
2006 INOX™ Chardonnay	\$205.20 / \$17.10	\$228 / \$19
2004 Ian's Reserve Chardonnay	\$345.60 / \$28.80	\$384 / \$32
2005 3 Vineyard Pinot Noir	\$291.60 / \$24.30	\$324 / \$27
2005 Corral Creek Vineyards Pinot Noir	\$475.20 / \$39.60	\$528 / \$44

PREVIOUSLY RELEASED WINES

	FULL OR MIXED CASE DISCOUNT (10%)	RETAIL
2005 Stoller Vineyards Pinot Blanc	\$172.80 / \$14.40	\$192 / \$16
2005 Reserve Dry Riesling	\$226.80 / \$18.90	\$252 / \$21
2005 Reserve Pinot Gris	\$226.80 / \$18.90	\$252 / \$21
2004 Stoller Vineyards Pinot Noir (6-Btl limit)	\$421.20 / \$35.10	\$468 / \$39
2004 Ridgecrest Vineyards Pinot Noir (6-Btl limit)	\$421.20 / \$35.10	\$468 / \$39
2004 Reserve Pinot Noir 92 points, <i>Wine Spectator</i>	\$648.00 / \$54.00	\$720 / \$60

Customer Info: Address Info on File
 Already a Tasting Panel Member

Name _____

Street _____

City, State, Zip _____

Phone _____

E-mail _____

Purchase Totals:

Wine Total: _____

Other Purchases: _____

FedEx Shipping: _____

GRAND TOTAL: _____

Paid By: CASH CHECK VISA/MC/AMEX

Card No. _____ Card on file

Exp Date _____ Signature _____ Today's Date _____

Wine: TAKEN HOLD FOR PICKUP TO BE SHIPPED (Now or Ship After/On _____)

Sign me up for the Tasting Panel Wine Club (20% discount; 2 shipments/year)